

ILLINOIS-AMERICAN WATER COMPANY
MORELAND SERVICE DISTRICT
Calculation of Variable Purchased Water Price
December, 2005

FORMULA FACTORS

1.	Purchases water charge in effect, per 1,000 gallons, effective April 1, 2005:	\$	1.43
2.	Unit rate for variable purchased water cost and/or alternate delivery (wheeling) costs, per 1,000 gallons, per Exhibit B:	\$	1.330
3.	Metered usage plus unaccounted-for water usage during the prior base period, in 1,000's of gallons, per Exhibit C (April through December):		17,421
4.	Metered usage during the prior base period, in 1,000's of gallons, per Exhibit C (April through December):		17,659
5.	Balance of unrecovered or (overrecovered) Supply Charge costs, per Exhibit D:	\$	531

CALCULATION OF VARIABLE COMPONENT

In accordance with Ill. Adm. Code 655:

Purchased Variable Water Charge in Effect (\$M/gal)	Estimated Purchased Water Cost and/or Alternate Delivery Variable Costs	+	Commission-ordered adjustment component for variable charge	+	Utility-determined adjustment component for variable charge	=	Recomputed Purchased Variable Water Charge (\$M/gal)
	Metered Usage in Mgals During Prior Base Period						
\$ 1.43	\$ 23,169.93	+	\$ -	+	\$ 531.00	=	\$ 1.34
	17,659						

**ILLINOIS-AMERICAN WATER COMPANY
MORELAND SERVICE DISTRICT
Change in Purchased Water Cost
December, 2005**

<u>Description:</u>	<u>Rate Per 1,000 Gallons</u>
Change in Purchased Water Charge:	
<u>Metered Service Rate:</u>	
Previous rate per 1,000 gallons (\$9.95 per 1,000 cu ft/7.48052)	\$ 1.330
Previous rate per 1,000 gallons (\$9.66 per 1,000 cu ft/7.48052)	<u>1.291</u>
Total Change in Purchased Water Cost:	\$ <u>0.039</u>

Source: Billing Invoices

Exhibit C

**ILLINOIS-AMERICAN WATER COMPANY
MORELAND SERVICE DISTRICT
Water Usage
December, 2005**

Description		Metered Usage (1,000 of gallons)	Metered Usage Plus Unaccounted-for Water Usage (1,000 of gallons)
For the monthly billing period ending in the month of:			
2004	January	1,484	1,900
2004	February	1,786	1,646
2004	March	1,372	2,162
2004	April	1,287	1,765
2004	May	1,588	1,765
2004	June	1,393	2,005
2004	July	2,825	2,237
2004	August	2,737	3,710
2004	September	2,540	2,693
2004	October	2,145	1,691
2004	November	1,677	1,346
2004	December	1,467	209
Total for the 12 most recent months:		22,301	23,129
Total April through December:		17,659	17,421

Source: Billing Reports and Purchased Water Invoices for Moreland Service Area.

ILLINOIS-AMERICAN WATER COMPANY
MORELAND SERVICE DISTRICT
Summary of Lake Water Purchases and Cost Recovery
December, 2005

VARIABLE COSTS	(A)	(B)	(A-B)	Cumulative
Month	Actual Cost of Lake Water Purchased	Cost Recovery via Lake Water Supply Charge	Monthly Unrecovered (Overrecovered) Supply Charge Cost	Unrecovered (Overrecovered) Supply Charge Cost
Balance forwarded from prior year:				\$ <u>1,202</u>
January	\$ 2,527	\$ 1,981	\$ 546	1,748
February	2,189	2,404	(215)	1,533
March	2,876	1,820	1,055	2,589
April	2,348	1,725	623	3,211
May	2,348	2,262	87	3,298
June	2,667	2,085	582	3,880
July	2,975	4,040	(1,065)	2,815
August	4,935	3,914	1,021	3,836
September	3,582	3,635	(53)	3,783
October	2,249	3,075	(826)	2,957
November	1,791	2,398	(607)	2,350
December	<u>279</u>	<u>2,098</u>	<u>(1,819)</u>	<u>531</u>
Total: \$	<u>30,765</u>	<u>\$ 31,436</u>	<u>(671)</u>	<u>\$ 531</u>
Unrecovered (Overrecovered) variable supply charges:				\$ <u>531</u>
Utility-determined reconciliation component:				\$ <u>531</u>

Source: Bill Data and Purchase Data reports.